Launch of Navigating Impact Project Themes: Sustainable Forestry & Education

July 11, 2019
Agenda

1. The GIIN’s Vision + State of IMM
2. Intro and Overview of Sustainable Forestry theme
3. Intro and Overview of Education theme
4. Q&A
5. What’s Next
Today’s Speakers

- Lissa Glasgo
  GIIN

- Adam Dolin
  GIIN

- Sabin Ray
  World Resources Institute (WRI)

- Priyanka Rao
  FHI 360/
  FHI Ventures
The GIIN’s Vision for the Future of Impact Investing
We aspire to create a world in which all investments consider social and environmental impact alongside risk and return.
As the market continues to grow, the need for consistent, high-quality IMM practice as the norm becomes imperative.
Three Critical Pain Points in IMM

Based on input from 800+ stakeholders

Lack of implementation guidance

Broad agreement on conventions, values, principles but no instructions on how to implement them

Lack of core metrics & comparable data

To get to benchmarkable data, investors require core, standardized metrics to track, compare, & drive results (that can be used with any convention or framework)

Continued confusion & fragmentation

150+ tools, resources, and methods claiming to support impact analysis and management making it hard to navigate and know what constitutes best practice vs. what is noise
IRIS+

The generally accepted system for measuring, managing, and optimizing impact

Key Features:

- Core Metrics Sets to increase data clarity and comparability

- Streamlined evidence base, research, practical how-to guidance, and best in class resources

- Updated IRIS Catalog of Metrics
Stakeholder Engagement Mechanisms

- Working groups
- Surveys
- Workshops
- One-on-one interviews
- Public Comment Periods
- Member engagement
- Usage feedback
- Alignments and strategic partners (NI)
90+ investors and experts weighed in on the development of these two themes alone, including:
The Role of The Navigating Impact Project

• GIIN and expert partners identify **best practices, research, and recommended metrics** for each investment theme.

• Wide engagement = content that is **relevant, practical, and clarifies best practice**.

• Navigating Impact project -- > IRIS+ standards development process -- > IRIS+

- Investor + expert insights
- Evidence
- Frameworks + best practices

The Navigating Impact Project

IRIS+
Impact investors aim to create impact alongside financial return based on evidence about how different strategies, sectors, and business models deliver the most powerful outcomes.

INVESTING FOR IMPACT? QUIT GUESSING.

Explore our evidence-based investment themes:

- Affordable Housing
- Clean Energy Access
- Smallholder Agriculture
- Financial Inclusion
- Health
- Gender Lens
- Education
- Sustainable Forestry
- Sustainable Water Management

Suggest a Theme

www.navigatingimpact.thegiin.org
Navigating Impact Project Strategies

• Each theme (like Education or Sustainable Forestry) includes 5-7 strategies reflecting common investor goals

• Each strategy...
  • Draws on the investor and expert insights, a deep-dive into evidence, and existing frameworks and best practices
  • Includes an overview, an evidence map, a starter kit of recommended metrics, and curated resources (and more)
Intro and Overview:
The Navigating Impact Project
Sustainable Forestry Theme
About World Resources Institute
The Sustainable Forestry Investing Landscape

- Sustainable Forestry valued for its multiple impact benefits (GIIN 2018).
- Sustainable Forestry outperforms conventional forestry (GIIN 2018).
- Investable projects remain hard to find:
  - AFR100 (Africa): $480 million
  - Initiative 20x20 (Latin America & the Caribbean): $2.4 billion
Sustainable Forestry Strategies

1. Reducing Carbon Emissions from Forestry and Land-use
2. Increasing the Conservation of Forests and Forest Resources
3. Increasing the Production of Sustainable Wood and Wood-Based Products
4. Increasing the Production of Sustainable Non-Wood Forest Products
5. Increasing the Sustainability of Local Economies and Communities Through Forestry and Land-use
Approach and Takeaways

• How to avoid greenwashing?
• Are these strategies equally investable?
• Do all the strategies lead to similar outcomes?
Intro and Overview:
The Navigating Impact Project
Education Theme
About FHI Ventures and FHI 360

FHI Ventures is subsidiary of FHI 360, and is a seed-stage investor and an accelerator supporting early stage businesses with the potential for high impact and a commitment to delivering social and financial returns in areas of health, education and economic development in Asia, Africa and the US.

FHI 360 is a nonprofit human development organization dedicated to improving lives in lasting ways by advancing integrated, locally driven solutions in the areas of education, economic development, health, gender equality and crisis response among many others, creating a unique mix of capabilities to address today’s interrelated development challenges in over 60 countries.
The Education Investing Landscape

Note: ‘Other’ sectors include commercial real estate, the retail sector, community development, and multi-sector allocations. Besides outliers, AUM figures also exclude three respondents that declined to share AUM.

Source: GIIN
## Key Challenges & Learnings

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<tr>
<th>Area</th>
<th>Description</th>
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<tbody>
<tr>
<td>Areas Gap</td>
<td>Gap between rural areas (&gt; needs) and urban centers (&gt; returns)</td>
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<td>Evidence Growth</td>
<td>Growing evidence base to demonstrate what works and what doesn’t work</td>
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<td>Policy &amp; Partnerships</td>
<td>Working with local governments/entities can be helpful to amplify impact and mitigate impact risk. At minimum, understand local regulations.</td>
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<tr>
<td>Risk Perception</td>
<td>Education investments can be complex. Know the local context, design investments to encourage positive outcomes.</td>
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<tr>
<td>Return Perception</td>
<td>Education investing is a growing space, and to some, the unknown translates as higher risk...but mitigation strategies exist.</td>
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Source: industry articles and primary research
Education Strategies

1. Improving Quality of Teaching and Learning Environments
2. Improving Transparency and Accountability of Education Management Systems
3. Improving Youth’s Successful Transition into the Workforce and Society
4. Improving Early Childhood Care and Education
5. Improving Education Access and Learning for All
6. Improving Access to Education for Children in Crisis and Conflict-Affected Environments
The ecosystem is still **nascent but growing** and given VC dominance in the space.

There was quick consensus among investors on Strategies 1-3 as these areas have seen higher levels of impact investment to date and, therefore, struck our stakeholders as “relatable.”

Strategies 4-6 are recognized needs in the education landscape and newer topics among impact investors, and therefore increasing areas to collaborate with the development community.

Overall, the education needs are **very clear** and have **substantial evidence** associated with what works. The challenge is identifying investment opportunities that:

a. are built on an understanding of the local context and needs,

b. are affordable,

c. can tackle risks associated with acquiring scale and

d. can acquire meaningful scale.
Questions?

Please submit your questions via the “Chat” box on the left side of your ReadyTalk screen.

Lissa Glasgo  
GIIN

Adam Dolin  
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FHI 360/ FHI Ventures
What’s Next?

...FOR THE GIIN’S IMPACT MEASUREMENT & MANAGEMENT (IMM) WORK

- **Navigating Impact project:**
  - New themes in **Sustainable Water Management** and **WASH** coming soon.
  - Interested in contributing insights to forthcoming themes? Email lglasgo@thegiin.org.

- **IRIS+:** Join 450+ org working group to continue to weigh in:
  - Tell us what guidance you need next
  - Weigh in on themes as they go through the standardization process (including Sustainable Forestry and Education)

- **GIIN Investor Forum:** Join us in Amsterdam (Oct. 2-3, 2019) – more at [https://impactinvestorforum.com/](https://impactinvestorforum.com/)

...FOR WORLD RESOURCES INSTITUTE

- **Land Accelerator** in Nairobi, Kenya on September 7-12, 2019
Thank you!

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